

Company Registration No: SC080104

ROYAL SCOT LEASING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

30 September 2007

**Group Secretariat
The Royal Bank of Scotland Group plc
3 Princess Way
Redhill
Surrey
RH1 1NP**



ROYAL SCOT LEASING LIMITED

CONTENTS

Page

Officers and Professional Advisers

1

Directors' Report

2 3

Independent Auditors' Report

4

Income Statement

5

Balance Sheet

6

Cash Flow Statement

7

Notes to the Financial Statements

8 16

ROYAL SCOT LEASING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**S J Caterer
A S Devine
A C Farnell
P A Tubb**

SECRETARY:

C J Whittaker

REGISTERED OFFICE:

**42 St Andrew Square
Edinburgh EH2 2YE**

AUDITORS:

**Deloitte & Touche LLP
Bristol**

Registered in Scotland.

ROYAL SCOT LEASING LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 September 2007

ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company, which is a wholly owned subsidiary of Royal Bank Leasing Limited, is the provision of fixed asset finance usually involving individually structured facilities

The Company is a subsidiary of The Royal Bank of Scotland Group plc which provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment. For this reason, the directors believe that performance indicators specific to the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The annual reports of The Royal Bank of Scotland Group plc review these matters on a group basis. Copies can be obtained from Group Secretariat, RBS Gogarburn, Edinburgh, EH12 1HQ, the Registrar of Companies or through the Group's web site at rbs.com

Review of the year

The directors are satisfied with the development of the Company's activities during the year. The Company will be guided by its immediate parent company in seeking further opportunities for growth.

The Company's financial performance is presented in the Income Statement on Page 5. At the end of the year, the financial position showed total assets of £148,916,000 (2006, £113,557,000) and equity of £5,672,000 (2006 £4,605,000).

The Company is funded by facilities from The Royal Bank of Scotland plc. It seeks to minimise its exposure to external financial risks other than credit risk, further information is disclosed in Note 1.

DIRECTORS AND SECRETARY

The present directors and secretary, who have served throughout the year except where noted below, are listed on page 1.

From 1 October 2006 to date the following changes have taken place

	Appointed	Resigned
Director		
T V Castledine		19 July 2007
A S Devine	19 July 2007	

ROYAL SCOT LEASING LIMITED

DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 and 2006 to prepare a directors' report and financial statements for each financial year and have elected to prepare them in accordance with International Financial Reporting Standards as adopted by the European Union. They are responsible for preparing financial statements that present fairly the financial position, financial performance, and cash flows of the Company. In preparing these financial statements, the directors are required to

select suitable accounting policies and then apply them consistently,
make judgements and estimates that are reasonable and prudent,
state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the directors' report and financial statements comply with the requirements of the Companies Act 1985 and 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors at the date of approval of this report confirms that

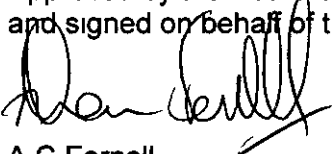
- a) so far as he/she is aware there is no relevant audit information of which the Company's auditors are unaware; and
- b) the director has taken all the steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and shall be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors

Approved by the Board of Directors
and signed on behalf of the Board



A C Farnell
Director

Date 30 June 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYAL SCOT LEASING LIMITED

We have audited the financial statements of Royal Scot Leasing Limited ("the company") for the year ended 30 September 2007 which comprise the income statement, the balance sheet, the cash flow statement and the related Notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. In addition we also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

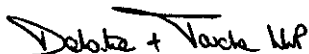
Opinion

In our opinion

the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the directors' report is consistent with the financial statements.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Bristol, United Kingdom

30 June 2008

ROYAL SCOT LEASING LIMITED**INCOME STATEMENT**
for the year ended 30 September 2007

	Note	2007 £'000	2006 £'000
CONTINUING OPERATIONS			
Revenue	3	6,104	5,366
Other operating income	4	1,173	1,853
Administrative expenses	5	<u>(1,171)</u>	<u>(1,976)</u>
OPERATING PROFIT	5	6,106	5,243
Finance costs	7	<u>(4,657)</u>	<u>(4,488)</u>
PROFIT BEFORE TAXATION		1,449	755
Tax charge	8	<u>(382)</u>	<u>(450)</u>
PROFIT FOR THE FINANCIAL YEAR	16	<u>1,067</u>	<u>305</u>

There have been no other gains or losses in the financial year or prior year

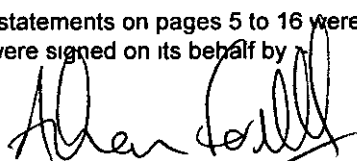
The notes on pages 8 to 16 form part of these financial statements

ROYAL SCOT LEASING LIMITED

BALANCE SHEET
as at 30 September 2007

	Note	2007 £'000	2006 £'000
NON CURRENT ASSETS			
Finance lease and hire purchase receivables	9	<u>107,514</u>	<u>93,999</u>
		<u>107,514</u>	<u>93,999</u>
CURRENT ASSETS			
Finance lease and hire purchase receivables	9	12,470	18,170
Trade and other receivables	10	921	1,388
Cash and cash equivalents	11	<u>28,011</u>	
		<u>41,402</u>	<u>19,558</u>
TOTAL ASSETS		<u>148,916</u>	<u>113,557</u>
CURRENT LIABILITIES			
Trade and other payables	12	(3,001)	(3,598)
Bank overdraft and loans	13	<u>(21,691)</u>	<u>(13,671)</u>
		<u>(24,692)</u>	<u>(17,269)</u>
NON CURRENT LIABILITIES			
Bank loans	13	(118,550)	(91,588)
Deferred tax liabilities	14	<u>(2)</u>	<u>(95)</u>
		<u>(118,552)</u>	<u>(91,683)</u>
TOTAL LIABILITIES		<u>(143,244)</u>	<u>(108,952)</u>
NET ASSETS		<u>5,672</u>	<u>4,605</u>
EQUITY			
Share capital	15	10	10
Retained earnings	16	<u>5,662</u>	<u>4,595</u>
TOTAL EQUITY		<u>5,672</u>	<u>4,605</u>

The financial statements on pages 5 to 16 were approved by the Board of Directors and authorised for issue on 30 June 2008. They were signed on its behalf by



A C Farnell
Director

The notes on pages 8 to 16 form part of these financial statements

ROYAL SCOT LEASING LIMITED

CASH FLOW STATEMENT
for the year ended 30 September 2007

	Note	2007 £'000	2006 £'000
NET CASH USED IN OPERATING ACTIVITIES	17	<u>(6,970)</u>	<u>(28,297)</u>
FINANCING ACTIVITIES			
New bank loans raised		<u>35,173</u>	<u>27,672</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>35,173</u>	<u>27,672</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>28,203</u>	<u>(625)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>(455)</u>	<u>170</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>27,748</u></u>	<u><u>(455)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

a BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the EU. The Company in addition to complying with its legal obligation to comply with IFRS as adopted for use in the European Union, also complies with IFRS as issued by the International Accounting Standards Board.

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

IFRS 7 'Financial Instruments: Disclosures' which became effective in this period introduces new disclosures relating to financial instruments but does not have any impact on the classification or valuation of the Company's financial instruments.

The directors do not believe the adoption of any Standards or Interpretations that have been issued but are not yet effective will have any material impact on the financial statements of the Company.

The judgements and assumptions involved in the Company's accounting policies which have the most significant effect on the amounts recognised in the financial statements are those that relate to the criteria for assessing whether substantially all the significant risks and rewards of ownership lease assets are transferred to other entities.

b INCOME UNDER FINANCE LEASE AND HIRE PURCHASE CONTRACTS

Finance leases and hire purchase contracts are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance lease income, which includes the amortisation of the investment in the lease, is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease and hire purchase contract.

c BORROWING COSTS

All borrowing costs are recognised as an expense in the period in which they are incurred.

d TAXATION

Provision is made for taxation at current enacted rates on taxable profits, arising in income or in equity, taking into account relief for overseas taxation where appropriate.

Deferred taxation is accounted for in full for all temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes, except in relation to overseas earnings where remittance is controlled by the Group, and goodwill.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered.

e AMOUNTS RECEIVABLE UNDER FINANCE LEASES

A lease is recognised when there is a contractual right to the asset's cash flows and derecognised when all contractual rights and obligations expire. Amounts due from lessees under finance lease and hire purchase contracts are recorded as receivables at the amount of the net investment in the leases. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Progress payments made prior to the commencement of the primary lease are included at cost together with the amount of any interest charged on such payments.

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES Continued

f TRADE RECEIVABLES

Trade receivables are measured at initial recognition fair value, and subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

g CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

h BANK BORROWINGS

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

i FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at the date of the transaction, or if measured at fair value, when the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period.

j TRADE AND OTHER PAYABLES

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Trade and other payables are not interest bearing and are stated at their nominal value.

k RISK MANAGEMENT POLICY

Interest rate risk

The Company's policy is to avoid interest rate risk. Any movement in interest rates associated with the financing of the lease is charged or credited to the lessee.

Credit risk

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of lessees to meet their obligations. Credit risk is managed through The Royal Bank of Scotland plc Group Credit Risk Management Framework to enable the Group to achieve appropriate risk versus reward performance whilst maintaining credit risk exposure in line with approved risk appetite on a Group basis. The Framework encompasses credit risk assessment prior to the approval of any credit exposure, and the control and monitoring of these exposures against approved limits. The Company has credit exposure to 15 lessees. The gross investment in the lease less unearned finance income represents the maximum credit exposure.

ROYAL SCOT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 PARENT COMPANIES

The Company's immediate parent company is Royal Bank Leasing Limited

The Company's ultimate holding company, ultimate controlling party, and the parent of the largest group into which the Company is consolidated, is The Royal Bank of Scotland Group plc that is incorporated in Great Britain and registered in Scotland. Copies of the financial statements for The Royal Bank of Scotland Group plc can be obtained from The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ

The smallest subgroup into which the Company is consolidated has as its parent company The Royal Bank of Scotland plc, a company incorporated in Great Britain and registered in Scotland. Copies of the consolidated financial statements for this subgroup can be obtained from The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ

3 REVENUE	2007	2006
	£'000	£'000
Finance lease and hire purchase receivables		
Rentals receivable	17,518	20,525
Amortisation	(11,414)	(15,159)
	<u>6,104</u>	<u>5,366</u>
Capital cost of asset additions financed:		
Finance lease and hire purchase contracts	<u>80,349</u>	<u>51,457</u>
4 OTHER OPERATING INCOME	2007	2006
	£'000	£'000
Profit on disposal of lease & hire purchase contracts	1,009	1,593
Other income	164	260
	<u>1,173</u>	<u>1,853</u>
5 OPERATING PROFIT		
Operating profit has been arrived at after charging	2007	2006
	£'000	£'000
Fees & commissions		3
Management charge	468	1,404
Other	703	569
	<u>1,171</u>	<u>1,976</u>
Costs incurred in respect of audit services to the Company are included in the management charge as shown below		
	£	£
Auditors' remuneration for audit services	<u>59,436</u>	<u>70,169</u>

6 STAFF COSTS

All directors and employees are employed and remunerated by The Royal Bank of Scotland plc, which did not make a recharge to the Company in the year

The average monthly number of employees was nil (2006 nil)

ROYAL SCOT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7	FINANCE COSTS	2007 £'000	2006 £'000
	Interest payable to group undertakings	<u>4,657</u>	<u>4,488</u>
8	TAXATION	2007 £'000	2006 £'000
	A) ANALYSIS OF TAX CHARGE FOR THE YEAR		
	Current tax charge		
	Group relief payable on profits for the year	529	2,449
	Adjustment in respect of prior periods	<u>(54)</u>	<u>54</u>
		475	2,503
	Deferred tax origination and reversal of timing differences		
	Current year	(88)	(2,053)
	Impact of rate change from 30% to 28%	(6)	
	Adjustment in respect of prior periods	<u>1</u>	
	Tax charge	<u>382</u>	<u>450</u>
	B) FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR		
	Profit before tax	<u>1,449</u>	<u>755</u>
	Tax on profit at the standard rate of 30% (£'000 30%)	435	227
	Permanent differences assets not qualifying for capital allowances		11
	Permanent differences disposal of nil allowance asset		144
	Non taxable income		14
	Impact of rate change from 30% to 28%		
	Adjustment to tax charge in respect of previous periods	<u>(53)</u>	<u>54</u>
	Tax charge	<u>382</u>	<u>450</u>

NOTES TO THE FINANCIAL STATEMENTS

9 FINANCE LEASE AND HIRE PURCHASE RECEIVABLES

	Gross investment in lease		Present value of minimum lease payments	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Amounts receivable under finance lease and hire purchase contracts				
Within one year	12,647	18,287	12,470	18,170
In the second to fifth years inclusive	54,932	54,624	50,254	53,039
After five years	<u>69,226</u>	<u>44,266</u>	<u>57,260</u>	<u>40,960</u>
	136,805	117,177	119,984	112,169
Less unearned finance income	<u>(16,821)</u>	<u>(5,008)</u>	<u>N/A</u>	<u>N/A</u>
Present value of minimum lease payments receivable	<u>119,984</u>	<u>112,169</u>	<u>119,984</u>	<u>112,169</u>

Analysed as

Finance lease and hire purchase receivables		
Non current (recoverable after 12 months)	107,514	93,999
Current (recoverable within 12 months)	<u>12,470</u>	<u>18,170</u>
	<u>119,984</u>	<u>112,169</u>

The Company has entered into lease arrangements for plant, equipment and aircraft. The average lease term is 10 years.

Unguaranteed residual values of assets leased under finance lease and hire purchase contracts at the balance sheet date are estimated at £nil (2006 £nil).

The interest rate inherent in the leases is determined at the contract date for all the lease term. The average effective interest rate contracted approximates 4.7% (2006 5.0%) per annum.

The fair value of the Company's finance lease and hire purchase receivables at 30 September 2007 is estimated at £119,115,000 (2006 £112,169,000).

ROYAL SCOT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10 TRADE AND OTHER RECEIVABLES	2007 £'000	2006 £'000
Trade debtors	253	51
Amounts due from group undertakings	254	49
Other debtors	<u>414</u>	<u>1,288</u>
	<u>921</u>	<u>1,388</u>

The directors consider that the carrying amount of trade and other receivables approximates to their fair value

11 CASH AND CASH EQUIVALENTS	2007 £'000	2006 £'000
Short term deposits with group undertakings	<u>28,011</u>	<u></u>

The directors consider that the carrying amount of cash and cash equivalents approximates to their fair value

12 TRADE AND OTHER PAYABLES	2007 £'000	2006 £'000
Amounts falling due within one year		
Payments received on account	331	74
Amounts due to group undertakings	2,430	3,297
Other creditors	<u>240</u>	<u>227</u>
	<u>3,001</u>	<u>3,598</u>

The directors consider that the carrying amount of trade and other payables approximates to their fair value

ROYAL SCOT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13 BANK OVERDRAFT AND LOANS

	2007 £'000	2006 £'000
Bank overdraft due to group undertakings	263	455
Loan amount due to group undertakings	<u>139,978</u>	<u>104,804</u>
	<u>140,241</u>	<u>105,259</u>

The borrowings are repayable as follows

On demand or within one year	21,691	13,671
In the second year	6,896	13,008
In the third to fifth year inclusive	30,385	29,130
After five years	<u>81,269</u>	<u>49,450</u>
	140,241	105,259
Less Amounts due for settlement within 12 months (shown under current liabilities)	<u>(21,691)</u>	<u>(13,671)</u>
Amounts due for settlement after 12 months	<u>118,550</u>	<u>91,588</u>

The effective interest rate on the bank loan is 4.9% (2006 4.2%)

Borrowings by the earlier of contractual repricing or maturity is

On demand or within one year	61,209	87,874
In the second year	6,483	8,006
In the third to fifth year inclusive	21,018	9,379
After five years	<u>51,532</u>	
	<u>140,242</u>	<u>105,259</u>

The fair value of the bank overdraft and loans is estimated at £139,372,000 (2006 £105,259,000)

A right of set off exists over the Company's bank account with The Royal Bank of Scotland plc against advances made to the Company's immediate holding company and its subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

14 DEFERRED TAX

Movements during the year	Deferred taxation £'000
At 1 October 2005	2,148
Charge to income statement	<u>(2,053)</u>
At 1 October 2006	95
Charge to income statement	<u>(93)</u>
At 30 September 2007	<u>2</u>

Full provision has been made for the potential amount of deferred taxation shown below

	2007 £'000	2006 £'000
Accelerated capital allowances on assets financed		72
Other temporary differences	<u>2</u>	<u>23</u>
	<u>2</u>	<u>95</u>

15 SHARE CAPITAL

	2007 Number of Shares ('000s)	2006 Number of Shares ('000s)	2007 £'000	2006 £'000
Ordinary Shares of £1 each				
Authorised	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

The Company has one class of ordinary voting shares which carry no right to fixed income

16 RETAINED EARNINGS

	£'000
Balance at 1 October 2005	4,290
Profit for the financial year	<u>305</u>
Balance at 1 October 2006	4,595
Profit for the financial year	<u>1,067</u>
Balance at 30 September 2007	<u>5,662</u>

ROYAL SCOT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

17 NOTES TO THE CASH FLOW STATEMENT	2007 £'000	2006 £'000
Profit before tax	1,449	755
Adjustments for		
Interest expense	4,657	4,488
Increase in receivables	(7,350)	(26,011)
Decrease in payables	(106)	(1,980)
Cash generated by operations	(1,350)	(22,748)
Income taxes paid	(988)	(1,009)
Interest paid	(4,632)	(4,540)
Net cash from operating activities	<u>(6,970)</u>	<u>(28,297)</u>

18 RELATED PARTY TRANSACTIONS

During the period, the Company entered into the following related party transactions

	2007 £'000	2006 £'000
Royal Bank Aerospace Limited		
Transactions during the period		
Break costs	<u>5,005</u>	
Royal Bank Leasing Limited		
Transactions during the period		
Management charge paid to related party	468	1,404
Group relief paid	988	1,009
Interest on loan paid to related party	4,657	4,488
Additional borrowing from related party	<u>35,173</u>	<u>27,672</u>
Group relief owed to related party	(1,651)	(2,165)
Outstanding balance owed to the related party	<u>(114,143)</u>	<u>(108,052)</u>
The Royal Bank of Scotland plc		
Bank account held with related party	<u>(263)</u>	<u>(455)</u>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. Both The Royal Bank of Scotland plc and Royal Bank Leasing Limited are fellow subsidiaries of the ultimate holding company The Royal Bank of Scotland Group plc.